

Message Text

CONFIDENTIAL

PAGE 01 SANTIA 06795 081714Z

64

ACTION SP-02

INFO OCT-01 ARA-06 IO-10 ISO-00 AID-05 EB-04 NSC-05 RSC-01

CIEP-01 TRSE-00 SS-15 STR-01 OMB-01 CEA-01 AGR-05

COME-00 IGA-01 L-02 CIAE-00 INR-05 NSAE-00 SWF-01

OES-02 FEA-01 INT-05 /075 W
----- 039734

R 081610Z NOV 74

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC 967

INFO USMISSION USUN NY

AMEMBASSY MEXICO

AMEMBASSY CARACAS

Z/AMEMBASSY BRASILIA 628

C O N F I D E N T I A L SANTIAGO 6795

E.O. 11652: GDS

TAGS: ECIN, EGEN, PFOR, ECLA, UNGA, MX, VE, CI, BR

SUBJECT: PROPOSED NEW LATIN AMERICAN ECONOMIC ORGANIZATION

REF: USUN 4380, SANTIAGO 6743 NOTAL

1. SUMMARY: EMBOFFS DISCUSSED MEXICO/VENEZUELA SCHEME FOR LATIN AMERICAN ECONOMIC ORGANIZATION IN SOME DEPTH WITH ECLA EXEC SEC ENRIQUE IGLESIAS ON NOV. 6. IGLESIAS THINKS INTERNATIONAL FORCES ARE THRUSTING LATINS INTO TIGHTER REGIONAL ARRANGEMENTS AND SEEMS TO FEEL THAT MEXICO AND VENEZUELA ARE MAKING SOME HEADWAY IN GETTING OTHER LA'S TO GO ALONG WITH THEIR PROPOSAL. END SUMMARY

2. AT NOV. 6 LUNCHEON HE HOSTED FOR AMBASSADOR, EMBOFFS, RAUL PREBISCH, AND OTHER ECLA OFFICIALS, ECLA EXEC SEC ENRIQUE IGLESIAS TALKED EXTENSIVELY ABOUT RESTRUCTURING LA REGIONAL INSTITUTIONS TO MEET REQUIREMENTS OF CONTEMPOARY WORLD. IN ADDITION TO WHAT HE SAID ALONG THESE LINES TO USUN IN OCTOBER, IGLESIAS EXPRESSED CONSIDERABLE CONCERN
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 SANTIA 06795 081714Z

THAT REGIONAL ORGANIZATIONS AND ECLA IN PARTICULAR HAD NOT

ADAPTED THEMSELVES TO NEEDS OF MORE ADVANCED COUNTRIES SUCH AS BRAZIL, MEXICO, AND ARGENTINA. ECLA, HE SAID, WAS PLAYING VERY USEFUL ROLE IN HELPING LEAST DEVELOPED MEMBERS FORMULATE AND EXECUTE DEVELOPMENT PLANS, BUT FOCUSING ECLA'S ACTIVITIES IN DIRECTION OF ECONOMIC DEVELOPMENT HAD MEANT STEADILY LESS RELEVANT ROLE FOR ECLA IN RESPONDING TO NEEDS OF LA REGION AS WHOLE. MOST MEMBERS, PARTICULARLY LARGER COUNTRIES, HAD SUCCESSFULLY PASSED THIS STAGE AND WERE NOW INTERESTED IN PRODUCER/CONSUMER COMMODITY ARRANGEMENTS, TECHNOLOGY TRANSFER, AND ENERGY ISSUES AND IN POSSIBILITIES OF CREATING REGIONAL BINATIONAL OR MULTINATIONAL ENTERPRISES.

3. IGLESIAS INDICATED THAT IN HIS VIEW LACK OF LA FORUM-- A TYPE OF OECD FOR LA--UNDERLINES CURRENT MEXICAN/VENEZUELAN EFFORTS TO ESTABLISH NEW REGIONAL ORGANIZATION. (NOTE: OECD IS NOT VERY ACCURATE ANALOGY FOR WHAT IGLESIAS SEEMS TO HAVE IN MIND--CECLA SERVICED BY ECLA SECRETARIAT.) HE SAID THAT RECENTLY HE HAD TRIED TO PERSUADE VENEZUELAN TO REALIZE OBJECTIVES THROUGH EXISTING LA ORGANIZATIONS BUT TONE OF CONVERSATION IMPLIED HE HAD NOT BEEN VERY SUCCESSFUL. INTERESTINGLY, AND IN CONTRAST TO WHAT HE TOLD USUN, IGLESIAS THINKS BRAZIL AND SOME OTHER LA COUNTRIES, WHICH MIGHT BE EXPECTED TO OPPOSE MEXICO/VENEZUELA-LED ORGANIZATION, WOULD GO ALONG WITH (THOUGH NOT PROMOTE) CREATION OF PROPOSED NEW REGIONAL INSTITUTION. WE DO NOT KNOW WHETHER APPARENT CHANGE OF MIND RESULT OF DISCUSSIONS WITH BRAZILIANS (IGLESIAS RETURNED ON NOV. 5 FROM TWO-DAY TRIP TO RIO) OR FROM HIS OWN REASSESSMENT OF SHIFTING REGIONAL ECONOMIC BALANCE. IN LATTER CONNECTION IGLESIAS SEEMED IMPRESSED BY EXPONENTIAL EXPANSION OF VENEZUELAN FINANCIAL POWER AND BY WHAT HE BELIEVES IS SERIOUS BRAZILIAN PREOCCUPATION WITH FINANCIAL PROSPECTS FOR COMING YEAR.

4. IGLESIAS APPARENTLY SHARES CURRENT PREBISCH THESIS THAT NEED FOR STRONGER REGIONAL ORGANIZATIONS IS BECOMING EVEN MORE URGENT AS FABRIC OF INTERNATIONAL FINANCIAL SYSTEM FRAYS UNDER STRESS OF OIL PRICE-INDUCED BALANCE OF PAYMENT DEFICITS. HE VIEWED EBBING READINESS OF DEVELOPED COUNTRIES TO PROVIDE FINANCIAL ASSISTANCE OR TO LIBERALIZE TRADE WITH DEVELOPING COUNTRIES AS INE-CONFIDENTIAL

CONFIDENTIAL

PAGE 03 SANTIA 06795 081714Z

VITABLE THRUSTING LATINS INTO STRONGER REGIONAL COMBINATION, AS BEST MEANS OF FOSTERING GROWTH.

5. WHEN QUESTIONED BY EMBOFFS ON HOW ECLA AND OTHER REGIONAL ORGANIZATIONS COULD BE TAILORED TO NEW REGIONAL REQUIREMENTS, IGLESIAS AND COTERIE OF ECLA FUNCTIONARIES MADE VAGUE REFERENCES TO "THE BIG ISSUES" OR CITED POSSIBILITIES FOR REGIONAL COOPERATION--POWER GRIDS,

INDUSTRIAL INFORMATION EXCHANGES, ETC.--ON WHICH IT
SEEMS TO US HEADWAY COULD BE MADE WITHOUT MAJOR CHANGES
IN EXISTING INSTITUTIONS.

6. COMMENT: OUR IMPRESSION THAT IGLESIAS' IDEAS FOR
RESTRUCTURING AND DEFINING NEW ROLES FOR ORGANIZATIONS
STILL VERY VAGUE AND TENTATIVE WAS BOLSTERED BY FAILURE
TO GIVE DIRECT RESPONSE TO QUESTION WHETHER HE HAD PUT
HIS THOUGHTS ON PAPER. MEETING OF US POLICY PLANNING
GROUP WITH IGLESIAS LATER THIS MONTH WILL HOPEFULLY
SPUR IGLESIAS TO REFINE HIS IDEAS.

POPPER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC DEVELOPMENT, REGIONAL ORGANIZATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 08 NOV 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: lzenbel0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974SANTIA06795
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740322-0547
From: SANTIAGO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741159/aaaabxqf.tel
Line Count: 127
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION SP
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: USUN 4380, SANTIAGO 6743 NOTAL
Review Action: RELEASED, APPROVED
Review Authority: lzenbel0
Review Comment: n/a
Review Content Flags:
Review Date: 09 JUL 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09 JUL 2002 by kelleyw0>; APPROVED <31 MAR 2003 by lzenbel0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PROPOSED NEW LATIN AMERICAN ECONOMIC ORGANIZATION
TAGS: ECIN, EGEN, PFOR, MX, VE, CI, BR, UNGA, ECLA
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005